

# Holiday Shopping Tips

*The holiday season is a hectic time for many consumers. As shoppers make their lists and select their gifts, the following are to remind consumers of their rights when ordering and paying for their purchases<sup>3/4</sup> whether the gifts are bought at the shops on Main Street, ordered via a toll-free 800 number, or purchased on line in a virtual store.*

## Mail and telephone-order shopping

Many consumers enjoy the convenience of shopping by mail and telephone—overall, U.S. mail order sales in 1996 exceeded \$229.5 billion.

Merchants are required to ship mail-order merchandise within 30 days of receiving a completed order unless a longer time is clearly specified in advertisements or catalog listings.

For orders that cannot be shipped on time, the merchant must:

- Notify the consumer of the new shipping date and give the consumer the option of canceling for a full refund. If the consumer does not respond to this notice, the merchant can presume the consumer has agreed to a delay of up to 30 days.

If the company cannot meet the revised shipping date, it must:

- Send the consumer a second notice and, unless the consumer expressly consents to a second delay, cancel the order, and issue a prompt refund.

If a consumer cancels the order, the merchant is required to:

- Make a full refund within seven days for cash, check or money-order sales, and within one billing cycle for charged sales.

Consumers should remember that the above requirements apply to telephone orders, including sales where a computer, fax machine or similar means is used to transmit an order over a telephone line. Many mail-order companies provide telephone numbers, including toll-free “800/888” or fax numbers, to make purchasing easier.

The Bureau of Consumer Protection offers consumers the following advice on making mail/telephone-order purchases:

- Order early to allow plenty of time for shipment and delivery. The holiday season is traditionally the busiest



time of year for both mail-order companies and the Postal Service.

- Keep a copy of the company's name, address, phone number, the date of your order, the ad or catalog from which you ordered, the order form you sent to the company, and a canceled check or charge account record.

Of course, calling a company can help determine a product's availability, the order's total cost, and the company's refund policy.

## **Jewelry**

One of the most popular holiday purchases is jewelry. If you're planning a gift of jewelry, here are some pointers for shoppers in the market for gold, diamonds, gemstones, or watches. And remember—before you buy—ask about the store's refund and return policy.

- There's a big difference between 14 karat gold and gold-plated jewelry. Fourteen karat (14) jewelry contains 14 parts of gold, mixed in throughout with 10 parts of base metal. Gold-plated describes jewelry with a layer of at

least 10K gold bonded to a base metal. Gold plating eventually wears away, depending on how often the item is worn and how thick the plating is.

- When you're buying a diamond, consider four criteria: cut, color, clarity and weight, usually stated as karats. Each factor affects the price. Color is sometimes "graded" on a scale. However, scales are not uniform: a "D" may be the best color for one scale, but not for another. Make sure you know how a particular scale and grade represent the color of the diamond you're considering. A diamond can be described as "flawless" only if it has no visible surface cracks or other imperfections when viewed under 10-power magnification by a skilled diamond grader.
- Know the difference between laboratory-created gemstones and naturally mined stones. Stones created in the lab are visually identical to stones mined from the earth. The big difference is in the cost: laboratory-created stones are less expensive than naturally mined stones. But, because they

look just like stones mined from the earth, they must be identified as lab-created. If you want a naturally mined stone, ask if it has been treated. Gemstone treatments—such as heating dyeing or bleaching—can improve a stone's appearance or durability. Some treatments are permanent; some may create special care requirements. Treatments also may affect the stone's value.

- If you're buying a watch, determine whether you want one that runs on a battery or one that must be wound daily. Ask if a warranty or guarantee is included, how long it lasts, and what parts and repair problems it covers. Also ask how and where you can get the watch serviced and repaired.

## **Using Credit Cards**

Consumers use credit cards more than usual during the holiday season. Fraud can result when cards are lost or stolen, or when people "misappropriate" credit-card numbers.

The Bureau of Consumer Protection recommends that

consumers take the following precautions to guard against credit-card fraud:

- Never give a credit-card number over the telephone unless you have initiated the transaction and know the company you are dealing with is reputable.
- Keep an eye on credit cards during transactions and get them back promptly.
- Avoid signing blank receipts. When signing, draw a line through the blank space above the total, and keep copies of the receipts to compare with charges on your monthly billing statements.
- Review credit-card accounts promptly every month and immediately report any questionable charges by writing to the company that issued the card.
- Never lend credit cards, or leave them or receipts lying around. Never write credit-card numbers on a postcard.

### **Lost or Stolen Cards**

If a credit card is lost, call the card company immediately. Most companies have toll-free numbers to report missing or stolen cards. Consumers may be liable, up to \$50, for unau-

thorized purchases made on each card before reporting a loss or theft. Under federal law, consumers are not liable for any unauthorized charges after they call each company.

### **Loan Offers**

The mail box may start to bulge with personal loan offers that are as simple as signing a form and sending it back to the company. This might be a quick way to handle the big holiday shopping bills, but first read the fine print. Many of these loans have high interest rates and fees. Compare the rates with local financial institutions before making a decision.

Some credit card companies offer a “free” month to skip a monthly payment so you can ease the tension of holiday bills. Again, read the fine print. The interest charges often continue to accumulate, costing you even more.

### **Cybershopping**

Online shopping gives new meaning to convenience and choice. With a few keystrokes and a click of the mouse, you can shop at home—right from your computer. But before you “surf the net” to your

favorite online mall, here are some basic tips about shopping in cyberspace.

- Unsecured information sent over the Internet can be intercepted. Use a secure web browser, such as one that complies with industry standards—Secure Sockets Layer (SSL) or Secure Hypertext Transfer Protocol (SHTTP)—which will “encrypt” or scramble purchase information.
- Shop with companies you know and always determine the company’s return and refund policy before you place an order.
- Never give out your Internet password. Be original when creating a password, perhaps using a combination of letters, numbers or symbols—CUL8R or \$2Burn. Also, be cautious if you’re asked to provide personal information, such as your Social Security Number. It is rarely necessary and should raise a red flag.

### **Return and Layaway Policies**

Found the perfect gift for someone, but still unsure if it’s the correct size, color or style? Or maybe you’re inter-

ested in a special purchase, but can't afford to pay cash and don't want to buy on credit. In Wisconsin, there are no state laws regulating store return and layaway policies. The store may set its own policy.

Take the time to check out the policies before you buy. Misunderstandings about refund policies abound and many problems could be prevented if consumers had a clear understanding of a store's policies before making a purchase.

### **Return Policies**

Return policies may include either a cash refund, a credit, an exchange or no refund at all. Some stores may also require a sales slip to be returned with the merchandise or specify that refunds are different for close-out items. Other stores may require that returns be made within a specific time period or require credit slips to be used within a certain time period. Businesses

should post refund policies in a conspicuous place—near the cash register or customer service area. If the store policy is not posted, ask before making a purchase. With all the options available to retailers, make sure you consider the following:

- Do you need to keep receipts or other identifying tags or boxes?
- Is there a time limit for returns?
- Do you have to use credit slips within a specified time?
- Will the store accept returns of sale merchandise?

Many retailers allow no adjustments or returns on special orders. Others agree to accept a return but require consumers to pay a percentage of the bill. When you sign a contract for special-order items, ask the retailer about return policies. Insist that delivery dates be written into your contract and make sure any exceptions to normal policy are noted in writing.

### **Layaway Policies**

Before laying any money down, be sure to check out the store's policy. Are there storage and layaway fees, maximum number of payments allowed, time limits between each payment or cancellation penalties or privileges? If you don't bother to check, you could lose your down payment or move if you decide to cancel.

### **What to do if you have a problem**

If you experience mail-order or credit-card problems, we recommend that you first contact the retailer or the card issuer and attempt to resolve the problem. If that does not work, contact the Bureau of Consumer Protection at:

**(800) 422-7128**

**FAX: (608) 224-4939**

**TTY: (608) 224-5058**

**E-MAIL:**

**[datcph hotline@datcp.state.wi.us](mailto:datcph hotline@datcp.state.wi.us)**

**WEBSITE:**

**<http://datcp.state.wi.us/>**

(Taken from FTC "Holiday Shopping Tips")

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